



U.S. Department
Of Transportation
Pipeline and
Hazardous Materials
Safety Administration

820 Bear Tavern Road, Suite 103
West Trenton, NJ 08628
609.989.2171

WARNING LETTER

OVERNIGHT EXPRESS DELIVERY

March 30, 2015

Frederick Martin
Vice President of Supply and Transportation
Kiantone Pipeline Corporation
15 Bradley Street
Warren, PA 16365

CPF 1-2015-5004W

Dear Mr. Martin:

From June through October, 2014, inspectors from PHMSA and from the New York State Department of Public Service (NYSDPS), acting as agents for the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code inspected the Kiantone Pipeline Corporation's (Kiantone) pipeline facilities in Warren, Pennsylvania and West Seneca, New York.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

1. §195.420 Valve maintenance

(b) Each operator shall, at intervals not exceeding 7 ½ months, but at least twice each calendar year, inspect each mainline valve to determine that it is functioning properly.

Kiantone failed to conduct valve inspections at least twice each calendar year on their mainline for calendar years 2012 and 2013.

During the inspection, PHMSA and NYSDPS inspectors reviewed mainline valve inspection records for 2012 and 2013. The inspection results were recorded by Kiantone on form 13.3.1 – Kiantone Block Valve Inspection & Maintenance. The form lists nine valves (Valves #1-7, MS-1, and MOV 161) located in New York, and five valves (Valves #8-11 and DV-1) located in Pennsylvania.

In calendar year 2012, the 14 identified mainline valves were only inspected once, in August.

In calendar year 2013, the 14 identified mainline valves were only inspected once, in September.

2. §195.412 Inspection of rights-of-way and crossings under navigable waters.

a) Each operator shall, at intervals not exceeding 3 weeks, but at least 26 times each calendar year, inspect the surface conditions on or adjacent to each pipeline right-of-way. Methods of inspection include walking, driving, flying or other appropriate means of traversing the right-of-way.

Kiantone failed to inspect the surface conditions of the pipeline right-of-way at intervals not exceeding 3 weeks, but at least 26 times each calendar year.

During the inspection, PHMSA and NYSDPS inspectors reviewed Kiantone's Annual Patrol Matrix from 2011 through 2014. The matrix covers right-of-way patrolling of the pipelines from West Seneca, NY to Warren, PA.

In calendar year 2011, the right-of-way was patrolled aurally 23 times and once by walking patrol, for a total of 24 patrols.

In calendar year 2013, the right-of-way was patrolled aurally 24 times and once by walking patrol, for a total of 25 patrols.

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$200,000 per violation per day the violation persists up to a maximum of \$2,000,000 for a related series of violations. For violations occurring prior to January 4, 2012, the maximum penalty may not exceed \$100,000 per violation per day, with a maximum penalty not to exceed \$1,000,000 for a related series of violations. We have reviewed the circumstances and supporting documents involved in this case, and have decided not to conduct additional enforcement action or penalty assessment proceedings at this time. We advise you to correct the items identified in this letter. Failure to do so will result in Kiantone being subject to additional enforcement action.

No reply to this letter is required. If you choose to reply, in your correspondence please refer to **CPF 1-2015-5004W**. Please send all correspondence in this matter to Byron Coy, PE, Director, PHMSA Eastern Region, 820 Bear Tavern Road, Suite 103, W. Trenton, NJ 08628. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b).

Sincerely,



Byron Coy, PE
Director, Eastern Region
Pipeline and Hazardous Materials Safety Administration

CC: NYSDPS – Mr. Kevin Speicher